

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Auditor's Report
June 30, 2012

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Member
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Families Helping Families At The
Crossroads of Louisiana, Inc.
Pineville, Louisiana 71301


I have audited the accompanying statement of financial position of Families Helping Families At the Crossroads of Louisiana, Inc., (a nonprofit organization), as of June 30, 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families At the Crossroads of Louisiana, Inc., as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated December 27, 2012, on my consideration of Families Helping Families At the Crossroads of Louisiana, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of my audit.

Families Helping Families At the Crossroads of Louisiana, Inc. has not presented management's discussion and analysis that Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

A handwritten signature in black ink, appearing to read "Roy K. Derbonne, Jr.", with a stylized, flowing script.

Roy K. Derbonne, Jr.
Certified Public Accountant

December 27, 2012

FAMILIES HELPING FAMILIES AT THE CROSSROADS OF LOUISIANA, INC.

PINEVILLE, LOUISIANA

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2012

ASSETS	
CURRENT ASSETS	
Cash on Hand and in Banks	\$ 14,288
Certificate of Deposit	1,700
Other Amounts Receivable	4,828
Contract Amounts Receivable	180,489
Total Current Assets	<u>201,305</u>
CAPITAL ASSETS	
Land	35,900
Building and Improvements, Equipment, Furniture and Fixtures, net of depreciation	276,726
Net Capital Assets	<u>312,626</u>
TOTAL ASSETS	<u><u>\$ 513,931</u></u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts Payable	\$ 16,923
Accrued Payroll Taxes Payable	1,072
Retirement Payable	7,862
Accrued Salaries Payable	55,494
Other Payables	12,342
Health Insurance	4,755
Line of Credit - Red River Bank	28,040
Note Payable - Red River Bank - due in less than one year	9,294
Note Payable - Red River Bank - due in more than one year	66,218
TOTAL LIABILITIES	<u>202,000</u>
NET ASSETS	
Unrestricted	<u>311,931</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 513,931</u></u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES AT THE CROSSROADS OF LOUISIANA, INC.

PINEVILLE, LOUISIANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>UNRESTRICTED</u>
REVENUES	
Fees for Contractual Services	\$ 1,131,808
Administration Fees	130,704
Fund Raising	159,443
Total Revenue	<u>1,421,955</u>
EXPENSES	
Program Services	1,036,226
Administrative	258,204
Fund Raising	142,059
Total Expenses	<u>1,436,489</u>
CHANGE IN NET ASSETS	(14,534)
NET ASSETS, BEGINNING OF THE YEAR	<u>326,465</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 311,931</u></u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES AT THE CROSSROADS OF LOUISIANA, INC.

PINEVILLE, LOUISIANA

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

FUNCTIONAL EXPENSES	PROGRAM SERVICES	ADMINIS- TRATIVE	FUND- RAISING	TOTAL EXPENSES
Salaries	\$ 620,212	\$ 31,221	\$ -	\$ 651,433
Employee Benefits	64,385	10,946	-	75,331
Janitorial	-	3,400	-	3,400
Donations	-	3,100	-	3,100
Office Supplies	18,600	13,967	-	32,567
Office Repairs and Maintn.	-	1,838	-	1,838
Telephone	15,498	2,391	-	17,889
Rent	15,206	-	-	15,206
Utilities	770	6,001	-	6,771
Supplies	275	575	-	850
Printing	8,792	6,837	-	15,629
Contract Labor	29,427	56,691	-	86,118
Dues	-	2,083	-	2,083
Insurance	21,073	23,907	-	44,980
Interest	-	9,712	-	9,712
Advertising	-	-	-	-
Postage	9,694	2,398	-	12,092
Travel and Meetings	65,808	27,769	-	93,577
Ground Upkeep	-	533	-	533
Repairs and Maintenance	-	1,650	-	1,650
Security	2,097	201	-	2,298
Internet and Website	1,284	-	-	1,284
Legal and Accounting	-	10,507	-	10,507
Training	5,507	7,992	-	13,499
Bank Charges	-	395	-	395
Community Services	11,710	-	-	11,710
Crisis Management	12,683	-	-	12,683
Depreciation	-	30,024	-	30,024
Indirect Expense	133,205	-	-	133,205
Fund Raising	-	-	142,059	142,059
Miscellaneous	-	4,066	-	4,066
TOTAL EXPENDITURES	<u>\$ 1,036,226</u>	<u>\$ 258,204</u>	<u>\$ 142,059</u>	<u>\$ 1,436,489</u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES AT THE CROSSROADS OF LOUISIANA, INC.

PINEVILLE, LOUISIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (14,534)
Adjustments to Reconcile Change in Net Assets to Net	
Cash Provided by Operations	
Depreciation	30,024
Changes in:	
Contracts Receivable	28,591
Other Amounts Receivable	29,043
Accounts Payable	(2,403)
Payroll Taxes	545
Garnishment Payable	7,214
Accrued Salaries Payable	(1,442)
Other Payables	12,801
Total Adjustments	<u>104,373</u>
Net Cash Provided by Operating Activities	<u>89,839</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment in Certificate of Deposit	8,300
Capital Expenditures	<u>(15,600)</u>
Total Cash Flows from Investing Activities	<u>(7,300)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Loan	480,169
Principal Repayment	<u>(551,276)</u>
Total Cash Flows from Financing Activities	<u>(71,107)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 11,432

CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE YEAR 2,856

CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR \$ 14,288

The accompanying notes are an integral part of this statement.

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A NATURE OF ACTIVITIES

Families Helping Families at the Crossroads of Louisiana, Inc. is a non-profit corporation organized under the laws of the State of Louisiana, to inform the public concerning the handicapped and to respond to the needs and capabilities of handicapped persons and their families.

B BASIS OF PRESENTATION

The financial statements of Families Helping Families at the Crossroads of Louisiana, Inc., have been prepared in conformity With generally accepted accounting principles. The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly includes all receivables, payables and other liabilities.

C CONTRACTS RECEIVABLE

Contracts receivable represents amounts owed to Families Helping Families at the Crossroads of Louisiana, Inc. for costs incurred under fee for service contracts which are reimbursable to the Organization. The Organization provides for losses using the allowance method. Uncollectible amounts are charged off when management decides the receivable is uncollectible. Management considers all receivables collectible, therefore, there is no provision for uncollectible amounts established.

D PLANT, FURNITURE, FIXTURES AND EQUIPMENT

Physical properties, furniture, fixtures and equipment are stated at cost and donated assets are recorded at their estimated fair market values at the date of donation. Depreciation is calculated using the straight-line method over the estimated following useful lives:

Building	40 Years
Machinery and Equipment	5-10 Years
Furniture and fixtures	7 Years
Land Improvements	20 Years

E REVENUES AND OTHER SUPPORT

Grant and fees for service are recorded as revenues when expenditures are incurred in accordance with grant or fees for service contracts.

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2012
(Continued)

F CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

G USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

H INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

I Donated Services

Donated services are insignificant in the operation of the Organization's programs. Donated services (contributed time) is not reflected in the accompanying financial statements since the services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

J Employee Benefits

All employees are eligible to participate in the 401-K savings plan at the date of hire. Employees may make voluntary contributions to the plan. The Organization matches the first three per cent of employee wages contributed to the plan. The Organization also has a section 125 health care cafeteria plan available for all employees.

NOTE 2 – CASH AND INVESTMENTS

Under state law, the Organization may deposit funds and certificates of deposit within a fiscal agent bank organized under the laws of the State of Louisiana, the law of any other state in the Union, or the laws of the United States. At June 30, 2012, the Organization had cash and certificates on deposit totaling \$15,988. These deposits are secured by federal deposit insurance.

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2012
(Continued)

NOTE 3 - CONTRACTS RECEIVABLE

Contracts receivable consists of expenditures made through June 30, 2012, as well as units of service provided, that were billed as follows:

State of La - Department of Health and Hospitals	\$ 161,407
State of La - Department of Education	19,082
Total Receivable	<u>\$ 180,489</u>

NOTE 4 - CAPITAL ASSETS

A summary of Capital Asset activity for the year ended June 30, 2012 was as follows:

	June 30, 2011	Additions	Deletions	June 30, 2012
Land	\$ 35,900	\$ -	\$ -	\$ 35,900
Building and Improvements	244,708	-	-	244,708
Parking Lot	12,500	-	-	12,500
Equipment	39,319	-	-	39,319
Furniture and fixtures	17,100	-	-	17,100
Vehicles	95,750	15,600	(1,181)	110,169
Total	<u>445,277</u>	<u>15,600</u>	<u>(1,181)</u>	<u>459,696</u>
Less accumulated depreciation	<u>(118,227)</u>	<u>(30,024)</u>	<u>1,181</u>	<u>(147,070)</u>
Total Capital Assets	<u>\$ 327,050</u>	<u>\$ (14,424)</u>	<u>\$ -</u>	<u>\$ 312,626</u>

NOTE 5 - ACCOUNTS PAYABLE

Accounts payable in the statement of financial position is the amount owed to vendors at June 30, 2012.

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2012
(Continued)

NOTE 6 - NOTES PAYABLE

On January 20, 2006, the Organization borrowed \$135,000 from the Red River Bank to purchase land and building located in Pineville, Louisiana. The loan balancer at June 30, 2012 is \$75,511 and is to be repaid in monthly installments of \$1,187.45, and bears 6.95 interest and is secured by the a real estate mortgage. The annual requirement to retire the debt as of June 30, 2012 is as follows:

Year Ending June 30,	Interest	Principal	Total
2013	\$ 4,956	\$ 9,294	\$ 14,250
2014	4,289	9,961	14,250
2015	3,575	10,675	14,250
2016	2,809	11,441	14,250
2017	1,988	12,262	14,250
2018-2019	1,322	21,878	23,200
Totals	<u>\$ 18,939</u>	<u>\$ 75,511</u>	<u>\$ 94,450</u>

NOTE 7 - RETIRMENT PAYABLE

The amount of retirement payable represents the amount withheld from employee's wages at the end of the year, which has not been transferred to the employee's individual retirement accounts.

NOTE 8 - RISK MANAGEMENT

The Organization is exposed to various risks of loss from litigation, theft, property hazards, general and vehicle liability, errors and omissions, natural disasters and workman's compensation claims. These risks are covered by the purchase of commercial insurance covering covering said risks. All previous losses have not exceeded the limits of the insurance coverage.

NOTE 9 - RELATED PARTY

There were no related party transactions.

INTERNAL CONTROL AND COMPLIANCE

Roy K. Derbonne, Jr., LLC

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Alexandria, Louisiana 71301-6878

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Member
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Families Helping Families At The
Crossroads of Louisiana, Inc.
Pineville, Louisiana 71301

I have audited the financial statements of Families Helping Families at the Crossroads of Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 2012, and have issued my report thereon dated December 27, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not

identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether Families Helping Families at the Crossroads of Louisiana, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management, others within the organization and grant awarding agencies and the Legislative Auditor and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited. Also, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "Roy K. Derbonne, Jr.", with a stylized flourish at the end.

Roy K. Derbonne, Jr.
Certified Public Accountant

December 27, 2012

FAMILIES HELPING FAMILIES AT THE CROSSROADS OF LOUISIANA, INC.
PINEVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

PART I – SUMMARY OF AUDITOR’S RESULTS

An unqualified opinion was issued on the financial statements.

There were no matters involving the internal control over financial reporting to be reported.

The audit did not disclose any instances of noncompliance, which are considered to be material to the financial statements.

PART II – FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY
ACCEPTED GOVERNMENT AUDITING STANDARDS

None

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS REQUIRED TO BE
REPORTED IN ACCORDANCE WITH OMB CIRCULAR A-133

Not applicable.

SECTION IV – MANAGEMENT LETTER

No findings were reported in a management letter to the Board of Directors.

FAMILIES HELPING FAMILIES AT THE CROSSROADS OF LOUISIANA, INC.
SCHEDULE OF CURRENT YEAR FINDINGS AND MANAGEMENT'S
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2012

<u>DESCRIPTION OF FINDINGS</u>	<u>CORRECTIVE ACTION TAKEN</u>
There are no current year findings.	

FAMILIES HELPING FAMILIES AT THE CROSSROADS OF LOUISIANA, INC.
PINEVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2012

<u>DESCRIPTION OF FINDINGS</u>	<u>CORRECTIVE ACTION TAKEN</u>
No prior year findings.	